McCormick & Company
Climate Transition Action Plan

February
2025

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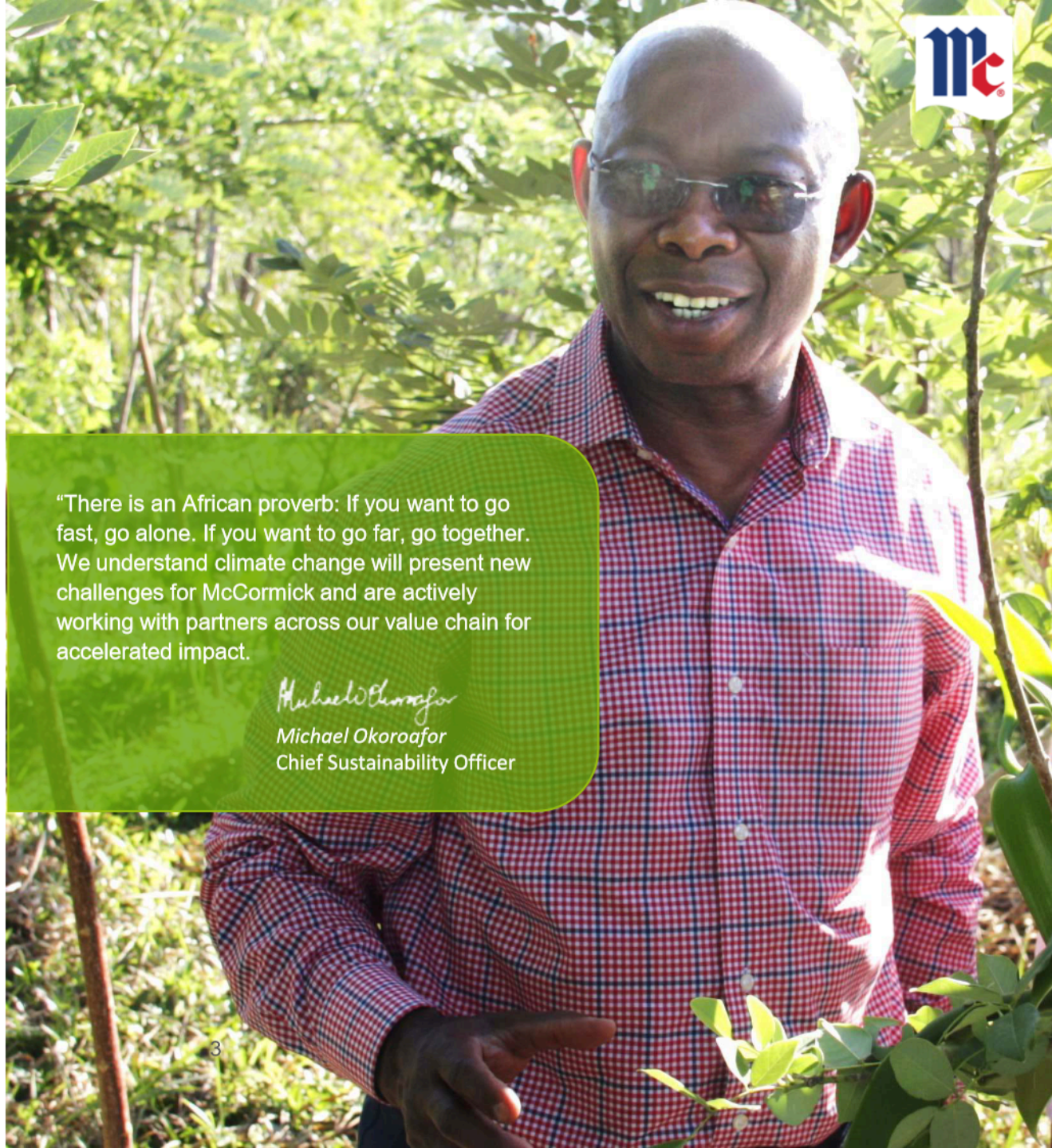
McCORMICK'S COMMITTMENT

As a leader in the global food industry, we work to limit the impacts of our operations and supply chain on the environment and have a unique responsibility to demonstrate positive change within the industry.

In 2021, we set ambitious science-based goals to reduce emissions for our operations (Scopes 1 & 2) by 42% by 2030 and emissions from our value chain (Scope 3) by 42% by 2030. This goal aligns with the latest science, which stresses the importance of limiting the rise of global temperatures to 1.5 degrees Celsius to avoid the catastrophic effects of climate change. Aligned with the Paris Agreement, our 2030 goals and long-term target to achieve net zero by 2050 have been validated by the Science Based Targets initiative.

McCormick's Climate Transition Action Plan is a reflection of these commitments. Within this document we outline our roadmap to decarbonization, and—importantly—the actions we are taking on our journey to net zero and examples of the impact we have realized already. To reduce our operational footprint (Scope 1 & 2), we continue to make incremental improvements through investments at the site level which create a pathway to meeting our 2030 goal. Scope 3 emissions account for over 95% of our overall greenhouse gas emissions. We know that reducing these emissions will take partnership throughout our value chain. We are establishing abatement strategies for our top emitting value chains including dairy, packaging and agricultural raw materials.

In addition to decarbonization actions, we continue to monitor the latest target-setting guidance and expect to set Forest, Land, and Agriculture (FLAG) science-based targets and reflect them in our action plan. As a company with significant ties to the global agricultural community, McCormick recognizes the need to address emissions associated with the land we source from. For residual emissions, reduction of emissions associated with land use will come from a combination of addressing land use change, land management techniques, nature-based solutions, and direct carbon removals.



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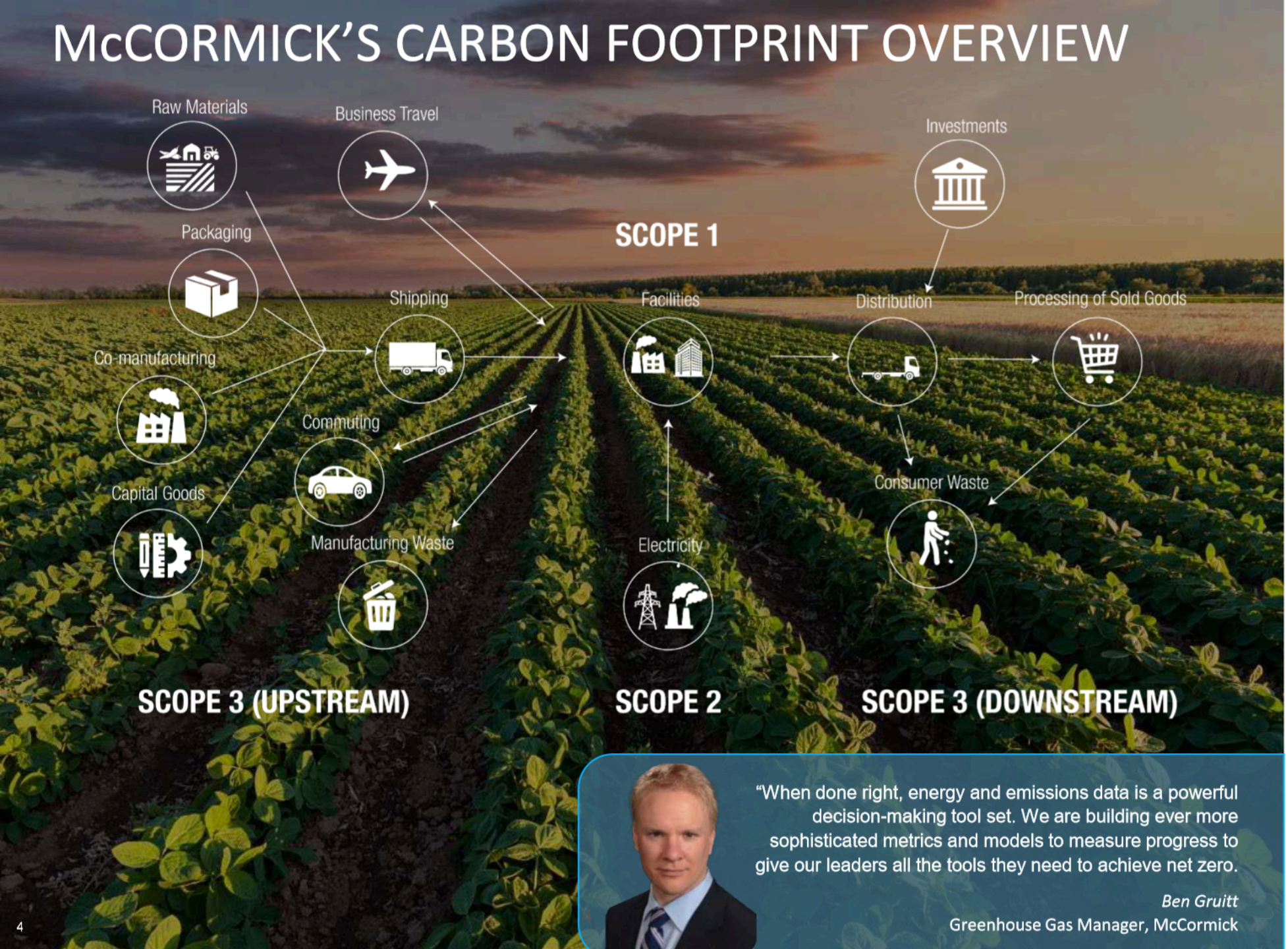
McCORMICK'S CARBON FOOTPRINT OVERVIEW



"When done right, energy and emissions data is a powerful decision-making tool set. We are building ever more sophisticated metrics and models to measure progress to give our leaders all the tools they need to achieve net zero.

Ben Gruitt
Greenhouse Gas Manager, McCormick

McCormick uses the operational control approach for the purposes of GHG emissions reporting.

GHG emissions are calculated for Scope 1 and 2 for all facilities over which McCormick has operational control as well as those Scope 3 emissions categories within our value chain shown in the diagram at the left. We use our 2020 fiscal year as a baseline with which to measure all progress towards reduction goals.

In addition to focusing on activities which reduce overall emissions, McCormick strives to continually improve our data fidelity by replacing secondary data and estimations with documented primary data. We continue to invest in data management and engagement with stakeholders to remain on track to achieve our 2030 and 2050 goals.

OUR ROADMAP TO DECARBONIZATION

Our Journey to Net Zero

McCormick is committed to doing our part to prevent the most damaging effects of climate change while delivering top tier financial performance.

McCormick emitted 3.2 million $MTCO_2e$ of GHG emissions in 2020. During this journey our guiding principles are:

- Collaborating to enable collective action
- Continuously assess climate related impact and adapt our plan accordingly
- Strengthening data management for evidence-based approaches

Setting Targets

2021

- Achieved initial Scope 1 & 2 goal
- Joined Business Ambition for 1.5° C

2022

- Near-term (2030) targets validated by SBTi[1]

Building Foundation

2023

- Long-term (2050) net zero targets validated by SBTi
- Completed climate-related scenario analysis
- Updated GHG inventory

2024-2025

- Develop carbon accounting platform and LCAs for key raw materials
- Submit forest, land use and agriculture (FLAG) targets for SBTi validation
- Develop abatement plans for top-emitting value chains

Focusing on Progress

Direct operations (Scope 1 & 2)

- Drive energy efficiency
- Transition to renewable energy

Indirect Emissions (Scope 3)

- Reduce waste-related emissions
- Strengthen value chain engagement
- Implement regenerative agriculture initiatives
- Reduce carbon footprint from packaging

Delivering on Our Commitment

Scope 1 2 & 3

- Utilize nature-based solutions and direct carbon removals to address residual emissions, in line with SBTi net zero guidance
- Follow SBTi net zero guidance for emissions reductions carbon removals and restricted use of carbon offsets

42%

Our current SBTi-validated near-term targets are 42% absolute emissions reduction for Scope 1 & 2 and 42% for Scope 3

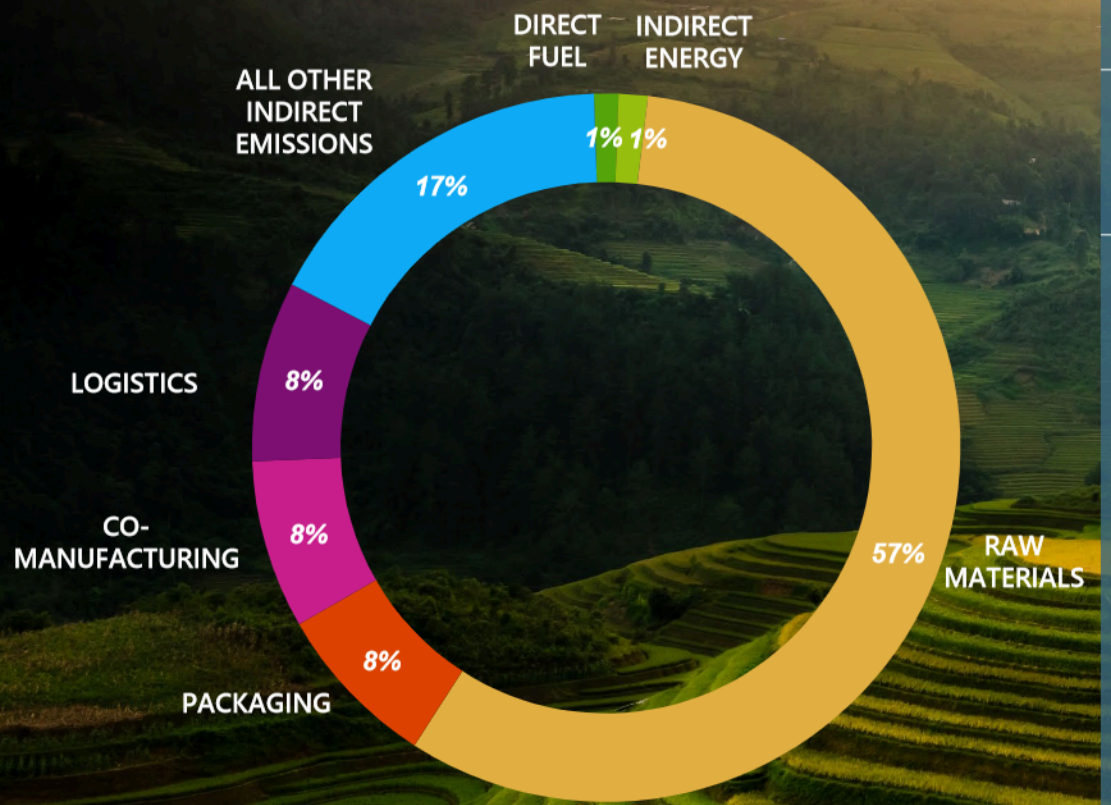
NET ZERO EMISSIONS

Path to zero emissions by 2050

Business as usual

2020 2022 2025 2030 2050

MCCORMICK'S FY2023 GHG FOOTPRINT BY SCOPE



SCOPE	DESCRIPTION	EMISSIONS % ($MTCO_2E$)
Scope 1	**DIRECT FUEL** These emissions are generated from the consumption of natural gas and other fossil fuels for space heating and certain manufacturing processes in McCormick's global facilities.	1% *(34,432)*
Scope 2 (market-based)	**INDIRECT ENERGY** Scope 2 emissions come from McCormick's purchase and consumption of non-renewable electricity and steam in our manufacturing facilities, distribution centers, and offices worldwide.	1% *(41,577)*
Scope 3	**RAW MATERIALS** McCormick relies on a global network of farmer's and suppliers to produce ingredients for our herbs, spices, seasonings, condiments, and flavors. How these stakeholders manage their land and grow and produce raw materials can have an impact on McCormick's value chain emissions.	*57%* *(1,783,524)*
	PACKAGING Packaging helps keep food safer, longer, but also has an emissions footprint driven by sourcing and manufacturing.	*8%* *(236,293)*
	CO-MANUFACTURING McCormick relies on 3rd party manufacturers to produce some of our finished products. Emissions associated with their operations contributes to our Scope 3 emissions.	*8%* *(239,744)*
	LOGISTICS Moving raw materials and finished goods requires shipping through a variety of transportation modes. Today, many of these vehicles still rely on fossil fuels.	*8%* *(256,881)*
	ALL OTHER INDIRECT EMISSIONS Examples of other emissions include those from business travel, facility waste, employee commuting, and disposal of packaging	*17%* *(524,103)*
Total		**100%** *(3,116,554)*

DECARBONIZATION PLAN AT A GLANCE

Taking action to reduce our operational footprint

SCOPE 1 I DIRECT FUEL

Driving Energy Efficiencies

SCOPE 2 I INDIRECT ENERGY

Transitioning to Renewable Energy

"The emphasis for McCormick's Climate Transition Action Plan is action: action from team members across McCormick to drive progress towards our science-based climate goals. We are reducing emissions in our operations and value chain by partnering on both proven and innovative solutions.

Kathy Rostkowski
Vice President Global Sustainability, McCormick

Partnering throughout our value chain to reduce emissions

SCOPE 3 I RAW MATERIALS

Implementing Regenerative Agriculture Initiatives

SCOPE 3 I PACKAGING

Reducing Our Carbon Footprint From Packaging

SCOPE 3 I Co-Manufacturing

Strengthening Engagement With Co-manufacturing Partners

SCOPE 3 I LOGISTICS

Evaluating Logistics Partners For Climate Leadership Initiatives

SCOPE 3 I ALL OTHER INDIRECT EMISSIONS

Reducing Greenhouse Gas Emissions From All Other Indirect Emissions

Taking action to reduce our operational footprint

Scope 1 & 2

Driving energy efficiencies through investments in green buildings, upgrading to high-efficiency equipment, and electrifying operations

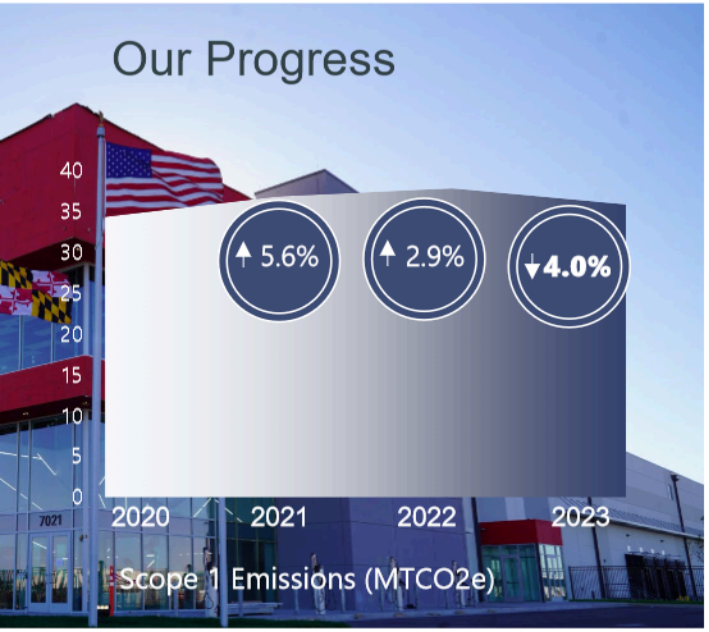
SCOPE 1 TARGET
34,432 $MTCO_2E$

Our Key Actions

IMPLEMENTING ENERGY EFFICIENCY PROJECTS in our operations, including deep energy retrofits, energy efficient equipment replacements, and sustainability in new building design

ELECTRIFYING KEY EQUIPMENT in facilities, such as electric boilers and heat pumps

ASSESSING RENEWABLE NATURAL GAS OPPORTUNITIES, using anaerobic digesters or partnering with local suppliers



"Supply Chain sustainability is key to getting to net zero, and leaders must drive this transformation by embracing renewable energy and sustainable practices.

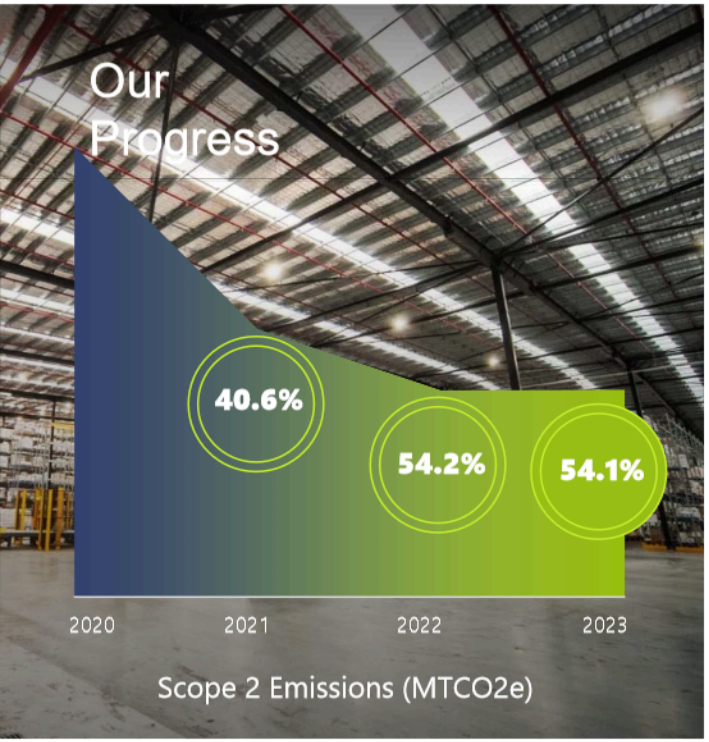
Lennox Superville
Vice President Global Supply Chain Excellence, McCormick

Efficiencies Are Beginning to Have an Impact, But Electrification Will Be Key

Spanning over 1,800,000 square feet, our Maryland Logistics Center (MLC) is **LEED Gold certified** building and design construction and is at the forefront of innovation through supply chain modernization and optimization.

The mechanical systems include a high efficiency chiller/boiler plant for air conditioning and heating, high volume low velocity fans and a high-speed variable air compressor plant. The lighting design for the building includes 100% LED fixtures and optimized lighting controls.

Transitioning to renewable and carbon free energy in our global operations



SCOPE 2 TARGET
41,577 $MTCO_2E$

Our Key Actions

Transitioning global operations to renewable energy power sources via:

- **ON-SITE** solar
- **OFF-SITE** renewable and carbon-free energy using power purchase agreements and virtual power purchase agreements
- **ENERGY ATTRIBUTE CERTIFICATES**

"McCormick has made great progress sourcing renewable electricity at our facilities and is continuing to look for new opportunities. However, we know that will not be enough to reach our net zero goals, which is why we are developing site-specific strategies that reduce the amount of energy we use overall and seek additional forms of renewable energy.

Duncan Mwendwa
Director Global Supply Chain Sustainability, McCormick

Significant Progress Towards Our 2030 Target

McCormick is one of three major partners to support a commitment to purchase renewable power and project-specific renewable energy certificates (RECs) from the Skipjack Solar Center.

The Center is based in Virginia and provides **100 percent renewable electricity** for our Maryland and New Jersey-based facilities.

Renewable energy procurement is driving McCormick's emissions reductions, contributing to a **40% reduction across scope 1&2** towards our 42% 2030 target.

Partnering throughout our value chain to reduce emissions

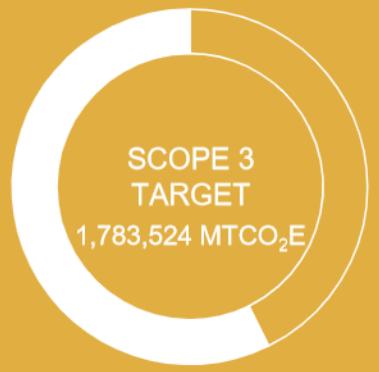
Scope 3

Implementing regenerative agriculture practices which train farmers on soil health and climate-smart agriculture techniques

Our Progress

91%

of our top five branded iconic ingredients were sustainably sourced in 2023



"Global climate change will impact us all, but farmers may be the most affected. At the heart of our sourcing, McCormick supports farming communities through long-standing relationships, providing tools and knowledge to implement climate-resilient and regenerative practices, benefiting both their children and the global net zero effort.

Matthieu Guemas
Agricultural and Sustainability Director, McCormick

Our Key Actions

- **LEVERAGING *GROWN FOR GOOD*** to implement scalable regenerative farming practices in herbs and spices
- **PROVIDING EDUCATION TO OVER 40,000 FARMERS** on climate awareness and climate resilient farming
- **SETTING ZERO DEFORESTATION COMMITMENTS** across key supply chains in line with SBTi net zero guidance
- **UTILIZING SUPPLY CHAIN ASSESSMENT** to maximize our impact on carbon reduction
- **COLLABORATING WITH, AND SUPPORTING, KEY SUPPLIERS** to setup their own SBTi targets

Grown for Good

To underscore our commitment to sustainable sourcing, we have created our *Grown for Good* framework, which drives community resilience, including economic stability for farmers, gender equality and women's empowerment.

Under the framework, we developed our own third-party verified sustainability standard, which includes requirements linked to biodiversity conservation and regenerative farming practices.

Reducing our carbon footprint from packaging by supporting a circular plastics economy, reducing our use of virgin materials

Our Key Actions

- **COLLABORATING WITH VENDORS** to find innovative solutions to the flexibles challenge, such as utilizing mono-materials
- **RECYCLED SOURCES** for packaging materials
- **PILOTING THE USE OF INNOVATIVE MATERIALS** (e.g., bioplastics) for functional replacements
- **CONTINUE TO OPTIIMIZE** our packaging design
- **PRIORITIZE USE OF MATERIALS** with established recycling waste streams
- **INCORPORATING SUSTAINABILITY DESIGN** principles into every packaging decision we make

Our Progress

81%

of our packaging can be reused, recycled or re-purposed

"Given the complexity of challenges in reducing packaging emissions, we are taking a holistic view of achieving our targets that includes initiatives on right sizing, reusable models, material switching, and end-of-life solutions.

Raqy Delos Reyes
Director Global Sustainable Packaging, McCormick

Flexible Packaging

Flexible packaging continues to be a challenge for the CPG industry, including McCormick. We are collaborating in industry initiatives to stay on the leading edge of solutions.

MAKING AN IMPACT

Using 50% PCR bottles for McCormick everyday herbs & spices reduces the carbon footprint of our current bottles by approx. 18-23% across sizes.

NOTE: CAP NOT MADE WITH PCR

Our U.S. Everyday Core Herbs and Spices portfolio was redesigned to incorporate 50% post consumer recycled (PCR) plastic and is 100% recyclable

Strengthening engagement with co-manufacturing partners through joint collaborations that enable emission reductions

Our Progress

Accelerating climate action through collective action.

72 suppliers enrolled in S-LoCT: 73% have a scope 1 and 2 footprint and 77% have disclosed their climate progress to CDP.

"We are working with our global network of suppliers to pilot how different management practices can improve outcomes while reducing emissions. These pilot projects provide a platform to determine the most adaptable practices, which enables us to scale emissions reductions throughout our supply chain.

Adrienne Gifford
Director Sustainable Procurement, McCormick

Our Key Actions

- **ENGAGING co-manufacturing partners** on emission abatement strategies across key categories and packaging
- **IMPROVING DATA FIDELITY** through increased use of primary data and implementing digital tools for data collection and analysis
- **SETTING PROCUREMENT REQUIREMENTS** for emissions abatement

Collective Action

SUPPLIER LEADERSHIP ON CLIMATE TRANSITION

McCormick is a founding partner in the S-LoCT collaboration reducing Scope 3 GHG emissions

McCormick has joined forces with other brands, including Mars and PepsiCo, to support implementing partner, Guidehouse, in establishing the Supplier Leadership on Climate Transition collaborative (S-LoCT).

The program is designed to mobilize collective climate action by providing suppliers with resources, tools, and knowledge to support their own climate journeys

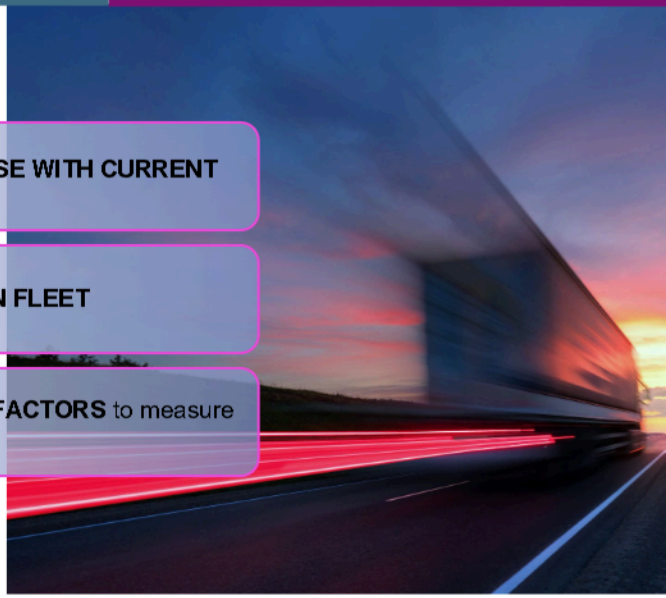
Evaluating logistics partners for climate leadership initiatives

"Electrification in logistics isn't just a shift in power—it's a powerful shift toward sustainability. By embracing electric solutions, we're not just delivering goods, but also a cleaner, greener future with every charge.

Heather Marlowe
Procurement Manager Supply Chain Operations, McCormick

Our Key Actions

- **TARGET NEW SUPPLIERS AND EXPAND USE WITH CURRENT SUPPLIERS** with public net zero ambitions
- **SEEK LOGISTICS PARTNERS FOCUSED ON FLEET ELECTRIFICATION**
- **DEVELOP SUPPLIER-SPECIFIC EMISSION FACTORS** to measure yearly changes



Our Focus

Moving raw materials and finished goods requires shipping through a variety of transportation modes. Today, many of these vehicles rely on fossil fuels.

- **Evaluate leading logistics suppliers** for climate "leaders" and "laggards"
- Enhance Scope 3 platform to incorporate changes in supplier and McCormick practices (**route optimization, mode optimization, fleet electrification, increase full truckload shipments**) in emissions calculations
- **Monitor large industry initiatives** for scalable solutions and opportunities to engage (e.g., ZEMBA)

Reducing greenhouse gas emissions from all other indirect emissions such as facility waste

Our Key Actions

ENGAGING SUPPLIERS on emissions reduction activies, including the development of product-specific emission factors with accompanying abatement strategies

SHIFTING LOGISTICS-RELATED MATERIALS TO REUSABLE MODELS (e.g., reusable totes and pallets vs. one-time use)

SCOPING SITE-SPECIFIC WASTE DIVERSION PROGRAMS that prioritize waste minimization and landfill diversion

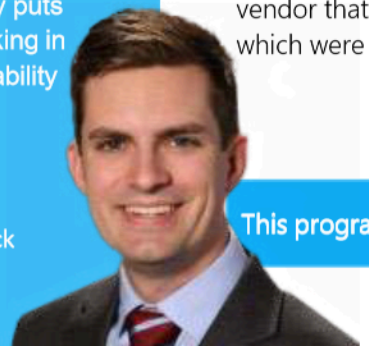
Our Progress

69% of solid waste from our facilities was recycled or recovered in 2023

Operational waste management is unique to each site, and may integrate strategies such as reuse, waste diversion and circular products.

"We are continuously looking for more efficient ways to gather primary data and reduce our dependence on proxy data to calculate our annual emissions. Focusing on developing our internal platform on GHG, water, and waste data, to become ever more accurate and timely puts data-driven decision making in the hands of our sustainability leaders.

Josh Epperson
AI, Automation and Data Science Director, McCormick



Recycling Operational Waste

Our Monteux, France factory identified several opportunities to recycle operational waste in 2023.

One of the most challenging materials to recycle are the glassine strip sheets that labels are stuck onto as part of the packaging. To account for this, we identified a vendor that would recycle the strips and PET liners which were otherwise sent to the landfill.

This program increased the site's recycling rate by 10%.

Purpose-led Performance
mccormickcorporation.com/responsibility